

# Puget Sound Gateway Program

## **SR 167 and SR 509 Completion Projects**

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GATEWAY PROGRAM TOLLING AND FINANCIAL PLANNING  
GATEWAY PROGRAM TRAFFIC

WASHINGTON STATE TRANSPORTATION COMMISSION MEETING  
DECEMBER 11, 2024

# Agenda

- Objectives:
  - Provide Gateway program funding and progress update
  - OST results
  - Provide Level 3 Traffic and Revenue results
  - Provide next steps

# Program delivery and cost update

# Gateway Program contracts

D-B CONTRACTS	STAGE 1a	STAGE 1b	STAGE 2
SR 509	Open to traffic	Under construction	Under Construction
SR 167	Open to traffic	Under construction	Stage 2a Executed 9/24/24 ----- Stage 2b Progressive design-build RFP – January 2025

- **Clear Creek Fish Barrier Mitigation**
  - Design-bid-build
  - Project timeline: 2026-2028 (schedule still in development)



# Summary of costs for 2024 CEVP

## Base cost increased

- Divided SR 167 Stage 2 into two contracts in response to industry trends (one bidder on SR 509)
  - This added PE costs and extended schedule by one year.
- Continued increase in materials cost
  - Grading
  - Structures
  - HMA
  - Landscape
- Continued increase in labor cost
- Further scope refinements
  - Long-term plant establishment, cultural resources
  - PMO costs

## Some risk decreased while others increased

- Retired project risk (eliminated or moved into base cost)

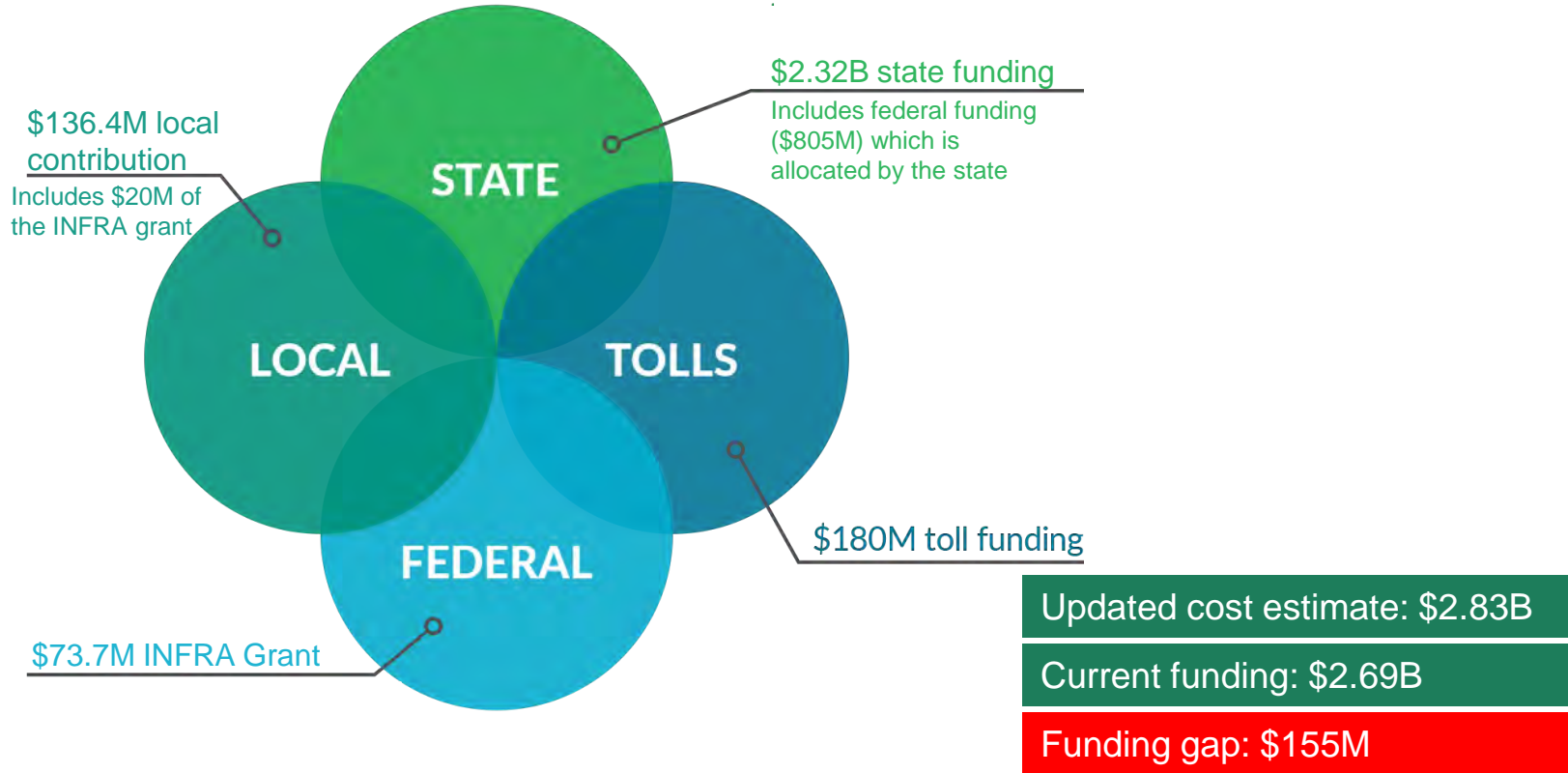
## Escalation

- **SR 167 Stage 2b:** One year closer to bid date and we have also extended the scope by one year.
- **SR 509 Stage 2:** SR 509 is now a fixed cost.

# Approach for \$155 million funding gap

- The current Puget Sound Gateway Program funding gap is \$155 million.
- Opportunities for mitigating the funding gap:
  - Complete Level 3 Toll Traffic and Revenue analysis to determine if toll funding can cover the cost increase
    - The Legislature approved toll bond authorization up to \$340 million
    - \$180 million allocated to date which leaves ~\$160 million
  - Future cost savings opportunities
    - Sell surplus property (~\$5-7 million)
    - Implement design optimization
  - Additional funding to address funding gap needed in Fiscal Year 2029

# Puget Sound Gateway Program funding



# Gateway Program toll funding need = \$335 M





# Puget Sound Gateway Program purpose



- Essential **connections** to the ports of Tacoma and Seattle.
- Ensure people and **goods move more reliably** through the Puget Sound region.
- Enhance the state's **economic competitiveness** by connecting the state's largest ports to key distribution centers.

# Level 3 Toll Traffic and Revenue study scenarios

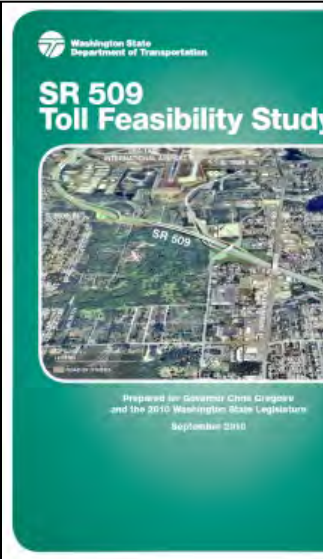
Scenario	Toll Escalation	Truck Tolls	SR 509 Low Income Discount
A	2.15% escalation every year, starting in Fiscal Year 2031	Vehicles with 3+ axles pay a multiple of the base toll	None
B		All vehicles pay the same toll	
C		Vehicles with 3+ axles pay a multiple of the base toll	50% discount for SR 509 area residents at 0-200% of Federal Poverty Level
D		All vehicles pay the same toll	

- SR 509 Low Income Proviso:** RCW [47.56.895](#): (4) Prior to setting the schedule of toll rates on the portion of state route number 509 between South 188th Street and Interstate 5 in SeaTac, the department, in collaboration with the transportation commission, must analyze and present to the transportation commission at least one schedule of toll rates that exempts, discounts, or provides other toll relief for low-income drivers during all hours of operation on state route number 509 between South 188th Street and Interstate 5 in SeaTac. In analyzing the schedule of toll rates, the department shall consider implementing an exemption, discount, or other toll relief policy for drivers that reside in close proximity to the corridor.

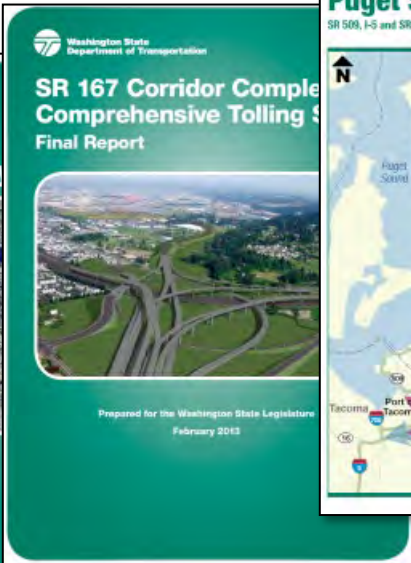
# OST results

# Toll funding

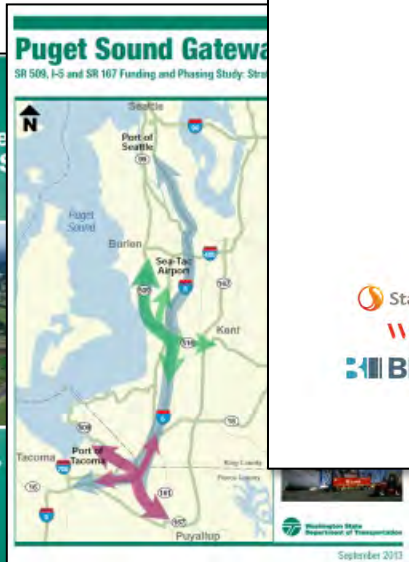
# Tolling



2010



2013



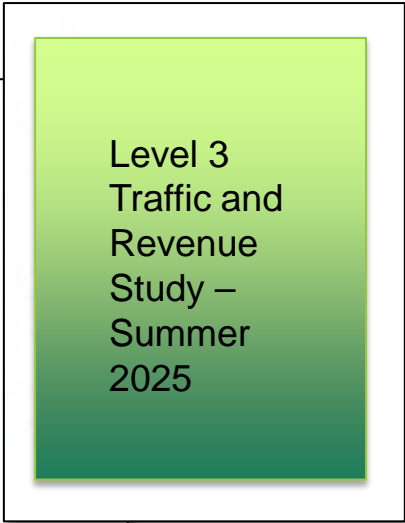
2013



2018



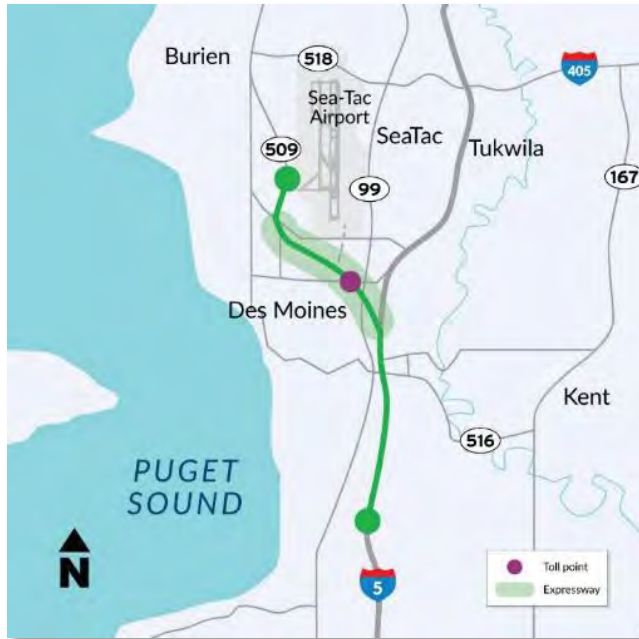
2023



2025

# Gateway Program expressway toll points

## SR 509



SR 509, I-5 to 24th Avenue South – October 2025  
SR 509, 24th Avenue South to South 188th Street – fall 2028

## SR 167



SR 167, I-5 to SR 509 New Expressway – December 2026  
SR 167, I-5 to SR 161 New Expressway – fall 2029

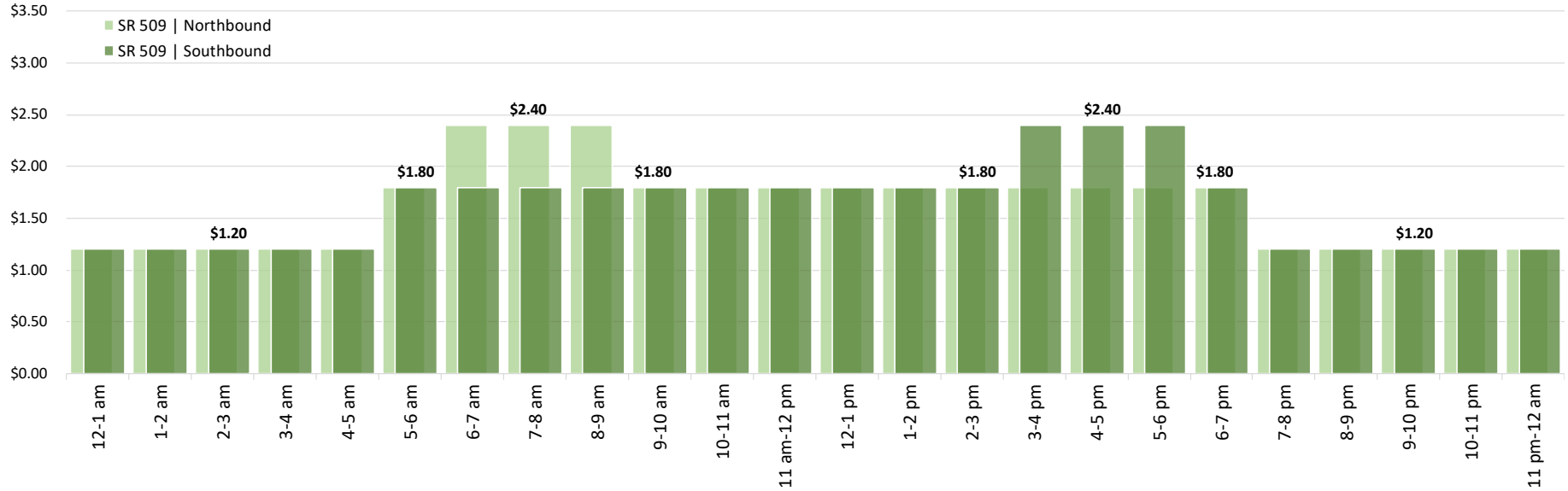
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# L3 Study *Good To Go!* variable toll rates | SR 509

## *Year of opening*

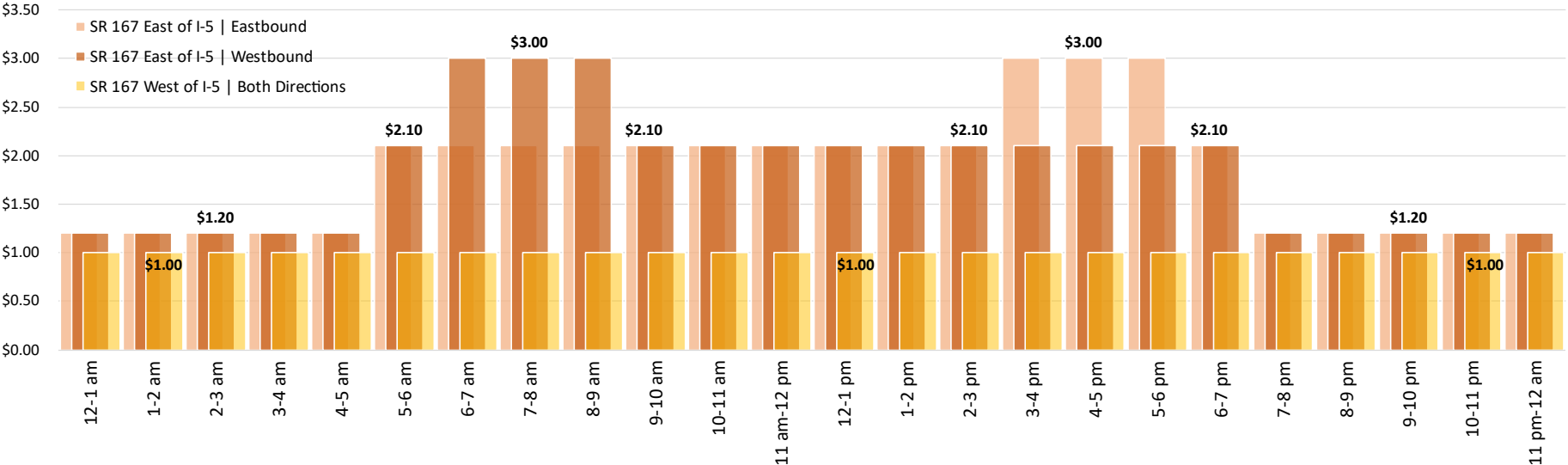


2.15% annual escalation starting on July 1, 2030



# L3 Study *Good To Go!* variable toll rates | SR 167

## *Year of opening*



2.15% annual escalation starting on July 1, 2030

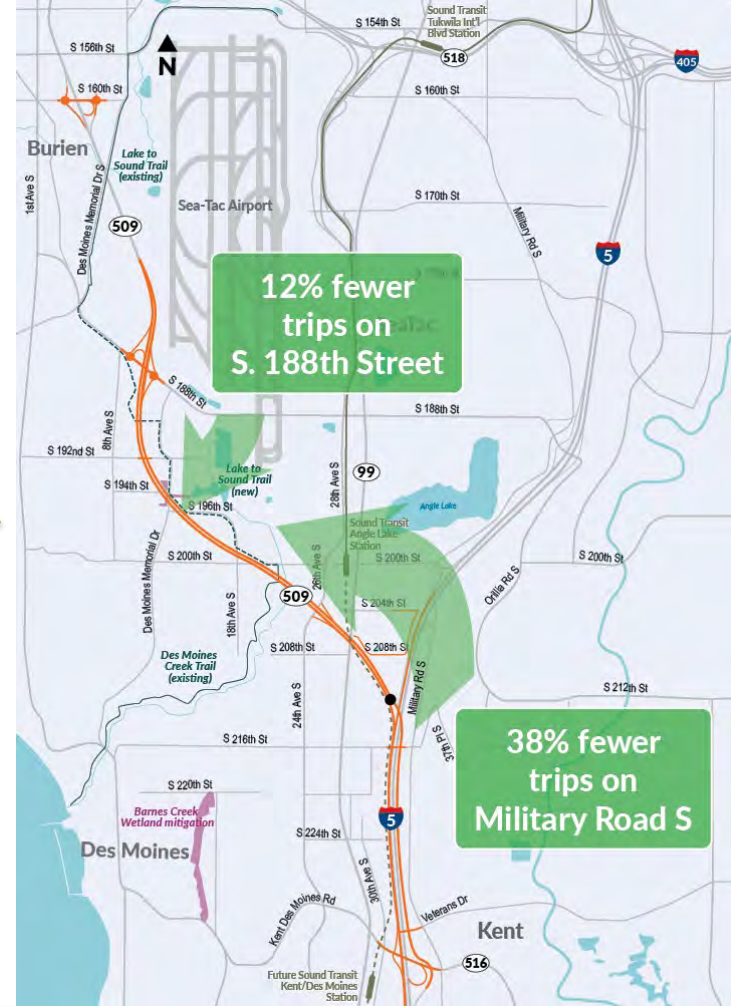
# SR 167 Completion Project traffic shifts

- SR 167 corridor year 2030 peak period trip projections:
  - Approximately 4,400 trips will use the new corridor during AM and PM peak periods
  - 300-400 of the trips are heavy trucks
- Trips shift off local facilities:
  - 18% fewer trips on River Road compared to future no build
  - 30% fewer trips on Valley Avenue compared to future no build



# SR 509 Completion Project traffic shifts

- SR 509 Extension year 2030 peak period trip projections:
  - Approximately 5,000-8,700 trips use the new corridor during AM and PM peak periods
  - 250-600 of the trips are heavy trucks
- Trips shift off local facilities:
  - 12% fewer trips on South 188th Street compared to future no build
  - 38% fewer trips on Military Road South compared to future no build



# Observations: Traffic impacts of no truck toll multipliers *SR 167 and SR 509 new expressways*

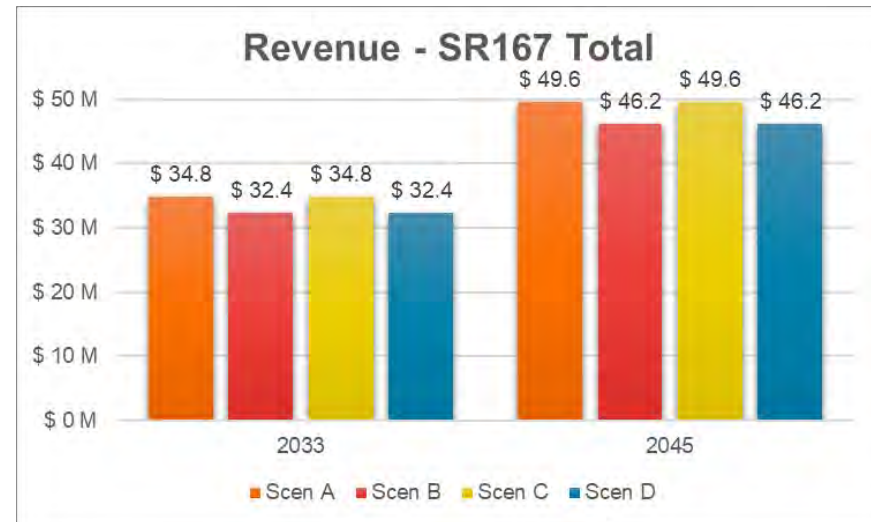
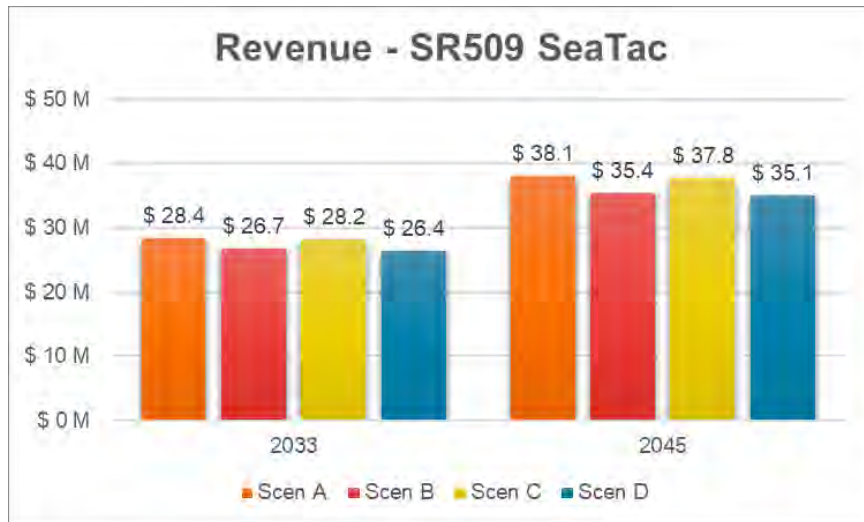
Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	

- All scenarios will significantly attract truck and auto trips to the new expressways, shifting them off local facilities, improving operations for all users.
- The elimination of truck toll multipliers (Scenarios B/D) will slightly increase the number of truck trips using the new SR 167 and SR 509 expressways.
- The elimination of truck toll multipliers (Scenarios B/D) is not expected to change traffic operations or overall performance on local or regional facilities.

# Gross revenue forecasts

## *For year 2033 and 2045*

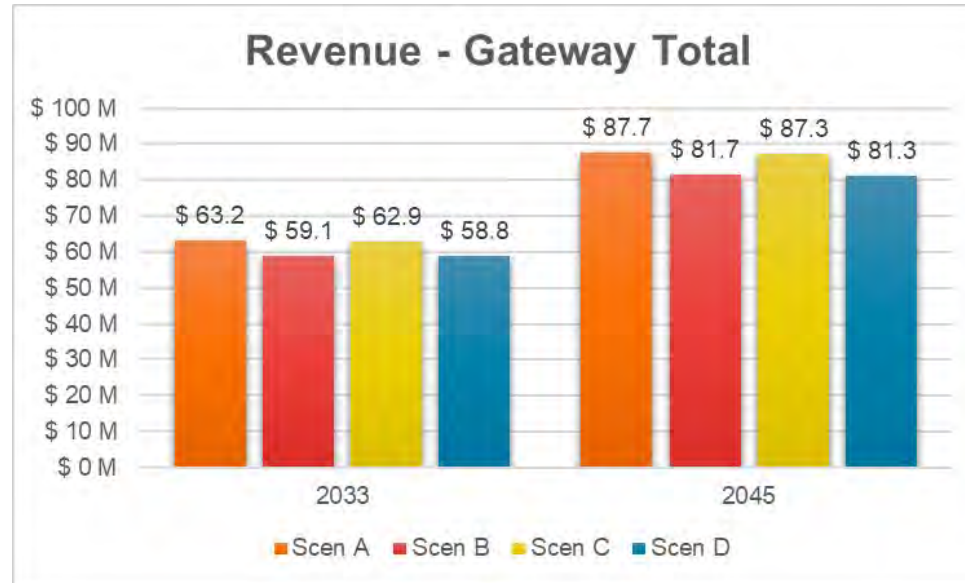
Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



# Gross revenue potential forecasts

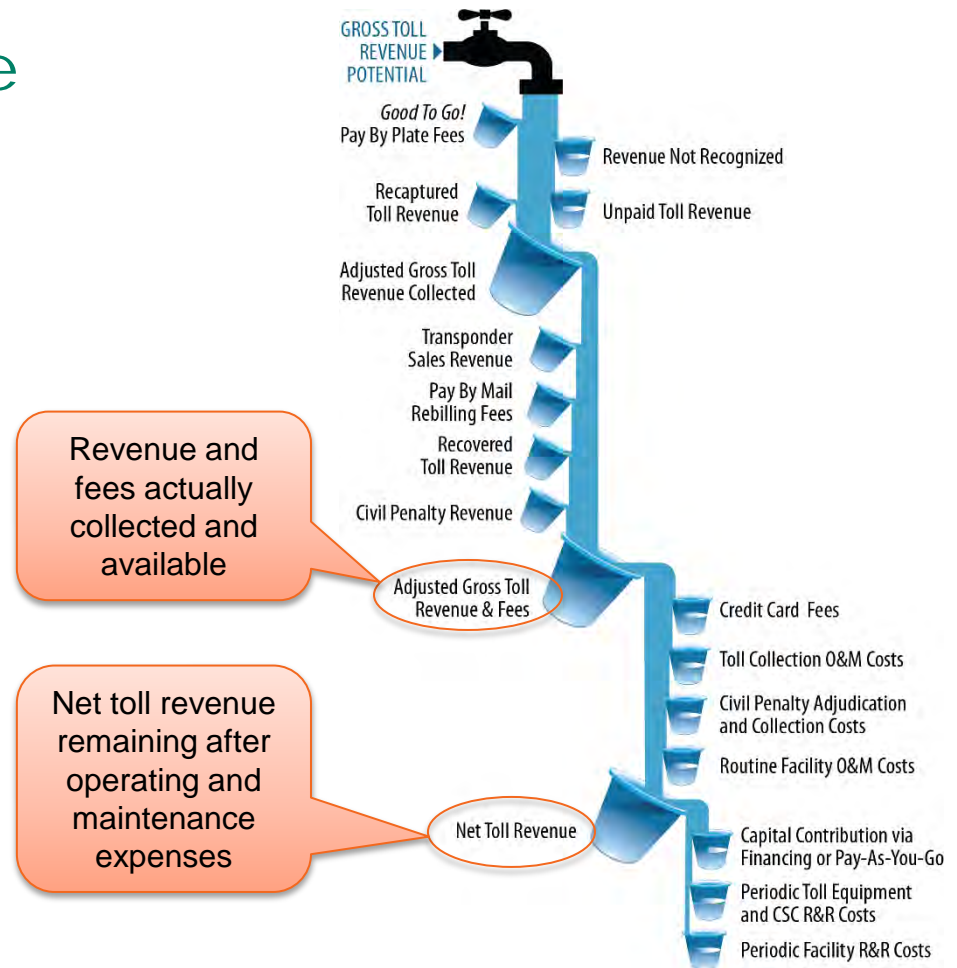
*For year 2033 and 2045*

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



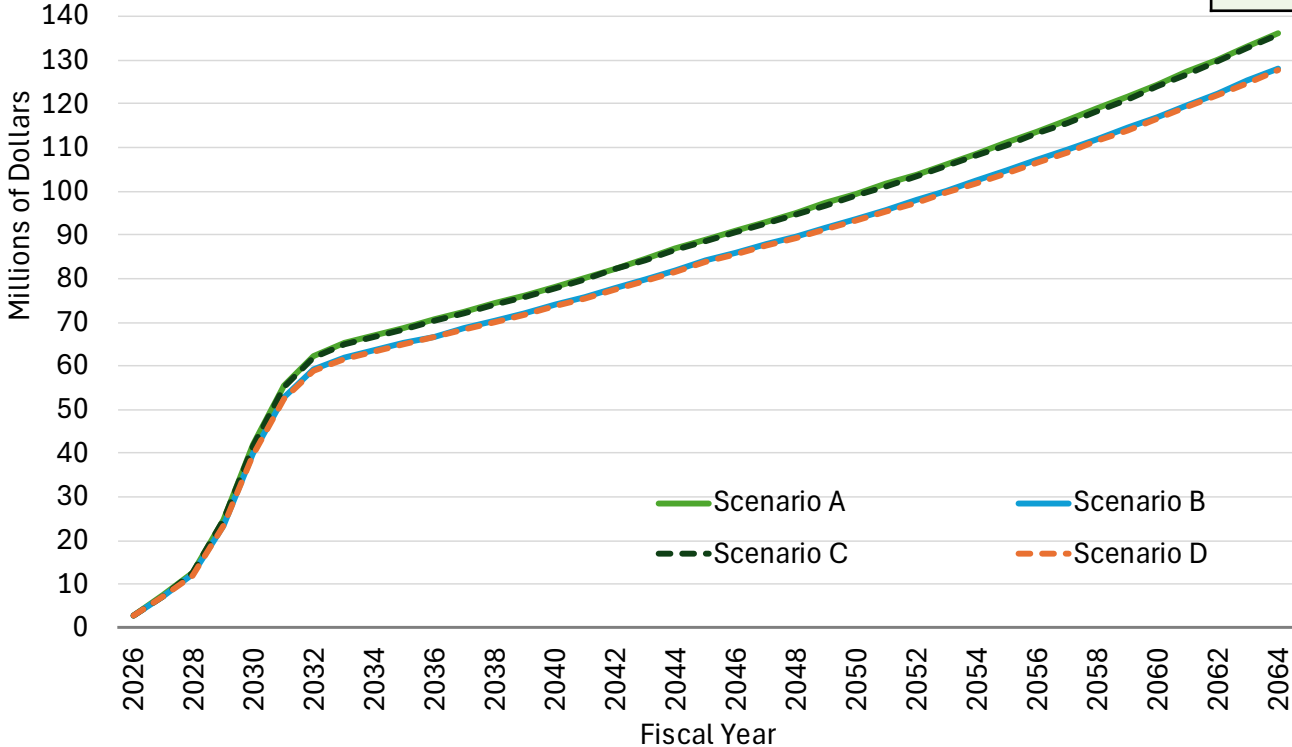
# Gross-to-net toll revenue process

- Starting with Stantec’s T&R forecasts at the top of the waterfall, adjustments are made for expected revenue adjustments, fees, and civil penalty collections to arrive at **“Adjusted Gross Toll Revenue and Fees”**.
- Subsequent deductions for toll collection and highway operating and maintenance (O&M) costs yield **“Net Toll Revenue”** projections.
- OST evaluates the potential capital funding contribution from net toll revenues for each toll scenario.



# Adjusted gross toll revenue and fees forecasts | Program totals

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	

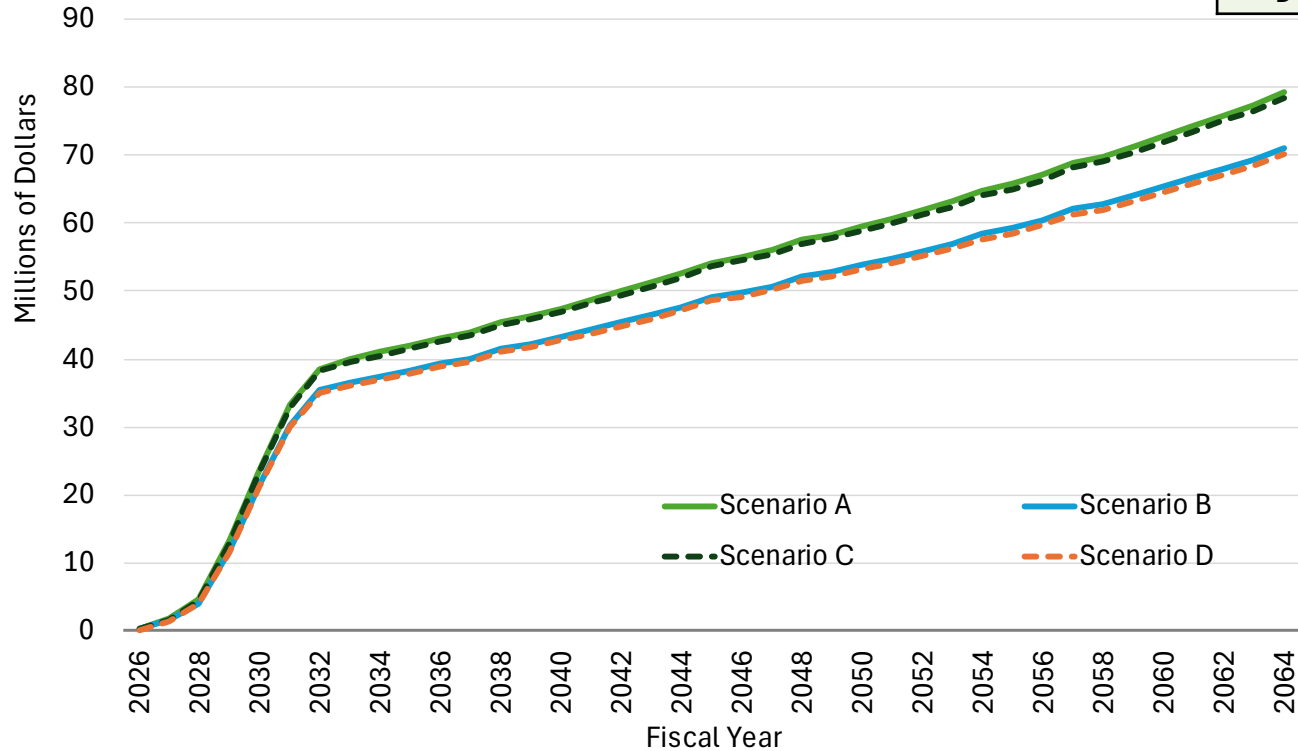


- The SR 509 Low Income Discount policy is projected to reduce Program revenue collected by about 0.5%.
- Once the Program is complete, removing the truck toll multiplier is projected to reduce Program revenue collected by 5-6% over the forecast horizon.



# Net toll revenue projections | Gateway Program totals

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	

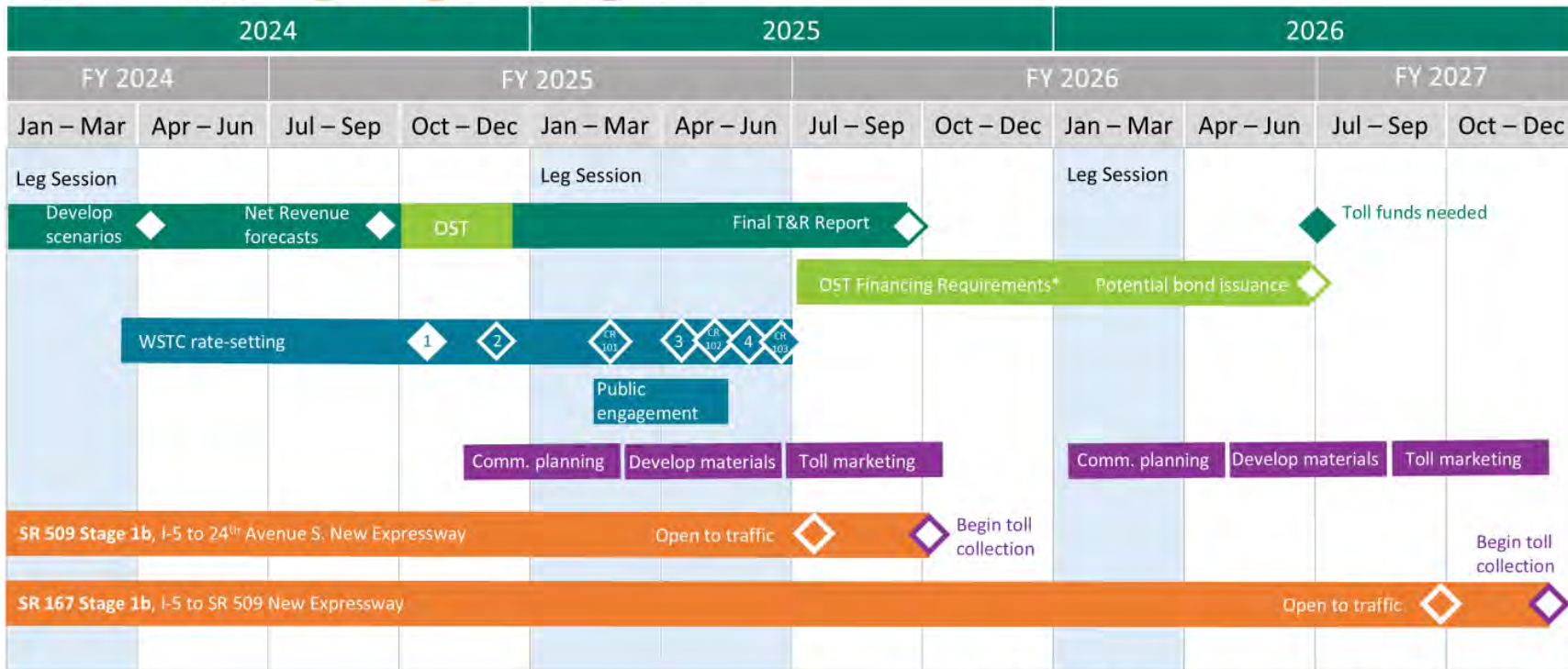


- The SR 509 Low Income Discount policy is projected to reduce Program net toll revenues by slightly over 1%.
- Once the corridors are completed, removing the truck toll multiplier is projected to reduce Program net revenues by 9-11% over the forecast horizon.

# Gateway Program net toll revenue summary

Scenario		Percentage Share of Scenario A (Base Case) Net Revenue over Forecast Period (FYs 2026-64)		
		SR 509	SR 167	Gateway Total
A	Base Case	100.0%	100.0%	100.0%
B	No Truck Toll Multipliers	90.5%	90.3%	90.4%
C	SR 509 Low Income Discount Program	97.6%	100.1%	98.9%
D	No Truck Toll Multipliers + SR 509 Low Income Discount Program	88.1%	90.4%	89.3%

● WSDOT   
 ● WSTC   
 ● OST   
 ● Design-Builder   
 ● Toll Division



**Toll rate-setting process**

- ① October workshop – review draft level 3 results
- ② December full WSTC meeting – WSDOT and OST present Level 3 T&R results
- ③ May full WSTC meeting – Select single toll rate proposal
- ④ June public hearing

\* Master Bond Resolution (MBR) development, rating agency presentations, etc.

# Next steps

# Next steps

- Ongoing coordination with WSTC for toll rate-setting
- Continue construction on four contracts
- Continue to advance contract procurement for SR 167 Stage 2b contract

# More information:

**John White, PE**

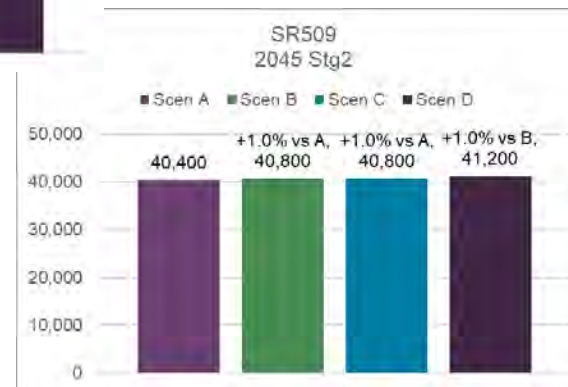
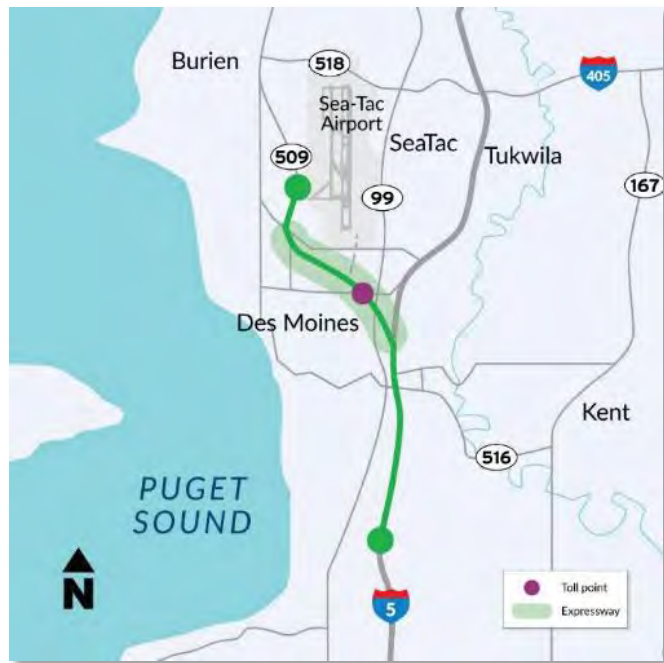
**Puget Sound Gateway Program Administrator**

**(206) 805-2966**

**[John.White@wsdot.wa.gov](mailto:John.White@wsdot.wa.gov)**

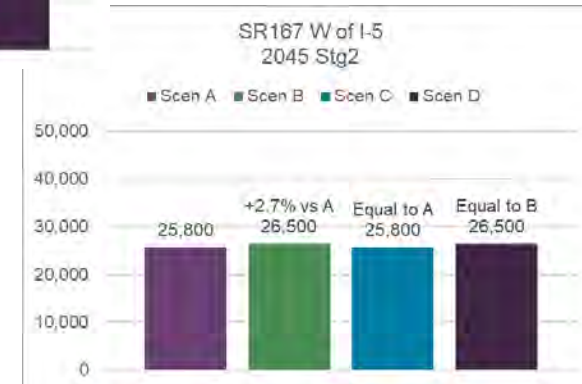
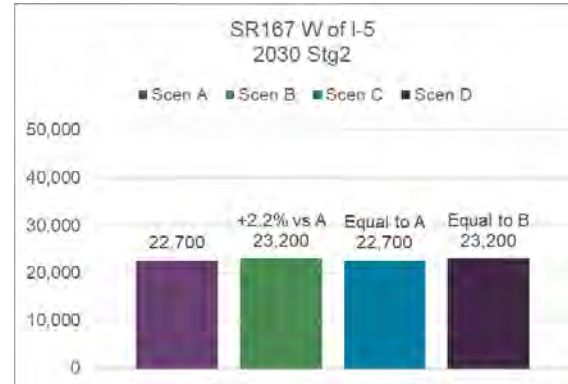
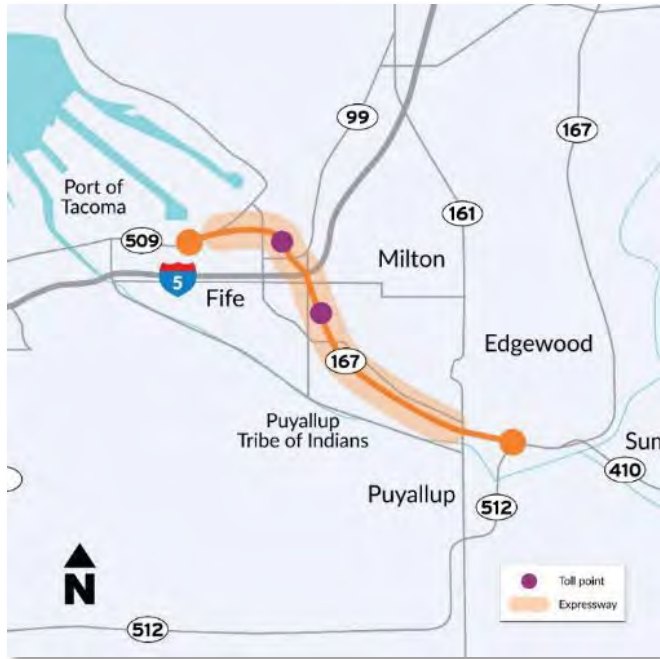
# Weekday traffic estimates SR 509 toll plaza

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	



# Weekday traffic estimates SR 167 west of I-5 toll plaza

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	





# Weekday traffic estimates SR 167 east of I-5 toll plaza

Scenario	Truck Multiplier	SR 509 Low Income Discount
A	Yes	No
B	No	
C	Yes	Yes
D	No	

